



# Department of Justice

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## **UPPER ARLINGTON MAN RECEIVES FOUR-YEAR SENTENCE FOR ROLE IN MONEY LAUNDERING CONSPIRACY**

### *Participant in multi-billion dollar securities fraud at NCFE*

COLUMBUS - John Allen Snoble, age 64, of Upper Arlington was sentenced in United States District Court here today to four years imprisonment for his role in a conspiracy to launder the proceeds of securities fraud while he held management positions with National Century Financial Enterprises, Inc. (NCFE).

Snoble was also sentenced to make restitution to victims of his crime. Judge Graham indicated that he would set a separate hearing to determine the amount and recipients of restitution. Earlier proceedings have determined the total loss to be as much as \$2.9 billion between 1994 and 2002.

Gregory G. Lockhart, United States Attorney for the Southern District of Ohio; Timothy P. Murphy, Special Agent in Charge, Federal Bureau of Investigation, Cincinnati Field Division; Cromwell A. Handy, Special Agent in Charge, Internal Revenue Service Criminal Investigation; Gerald O'Farrell, Assistant Inspector in Charge, U.S. Postal Inspection Service; and Merri Jo Gillette, Regional Director, Midwest Regional Office, Securities and Exchange Commission, announced the sentence handed down today by Senior United States District Judge James L. Graham.

"Judge Graham's sentence should serve as a message of deterrence to others in positions of responsibility that such crimes will result in lengthy terms of imprisonment," Lockhart said.

Snoble pled guilty in November, 2004 to one count of conspiracy to launder money. Snoble held two management positions with NCFE, beginning as Chief Financial Officer in 1993 and becoming Vice President/Controller in 1999. Snoble and others conspired to defraud investors in health care receivable securitization notes issued by NCFE subsidiaries known as NPF VI and NPF XII. Snoble and others are alleged to have regularly moved hundreds of millions of dollars between and among bank accounts to hide the company's shortages. As part of his plea agreement, Snoble agreed to assist the government in the investigation and prosecution of others.

In May, 2006, a federal grand jury returned a 60-count indictment charging seven former executives with conspiracy, securities fraud, wire fraud, mail fraud and money laundering. Their trial is set to begin in September, 2007.

Snoble is the third NCFE management figure to plead guilty in the case. Sherry L. Gibson, NCFE's former Executive Vice President for Compliance, pled guilty to conspiracy to commit securities fraud in August 2003. She was sentenced to 48 months imprisonment in June, 2004 and ordered to liquidate all her assets for restitution. Brian J. Stucke, age 33, of London, Ohio was Director of Compliance for NCFE. Stucke pled guilty in December 2003 to conspiracy to commit securities fraud and is awaiting sentencing.

The Dublin, Ohio based company bought medical accounts receivable from health care providers around the country. NCFE financed the purchases by selling securities in the form of notes to large institutional investors outside Ohio. According to documents provided to potential investors, NCFE was to use the money it collected from the accounts receivable to repay investors. In its promotional materials, NCFE billed itself as the "nation's leading supplier of working capital to the medical industry."

Lockhart commended the agents and analysts of the FBI, IRS, SEC and Postal Inspectors who continue to analyze and investigate the information contained in thousands of boxes of documents and computer files seized by the FBI with the assistance of the Dublin Police Department and the Franklin County Sheriff's Office from NCFE's Dublin offices in November 2002. Lockhart also commended the efforts of Assistant U.S. Attorney Dale E. Williams, Jr., U.S. Department of Justice Trial Attorney Mark Yost, and other attorneys in the U.S. Department of Justice Criminal Division who are working on the investigation and related prosecutions.

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